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MANUFACTURED GAS

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THE term manufactured gas usually covers retort gas made in gasworks, carbureted water gas, and coke-oven gas when offered for public consumption, *i.e.*, not consumed by the plant which produces it. Blast furnace gas is not included in the international statistics of gas production which, incidentally, are generally incomplete. Properly speaking, manufactured gas cannot be regarded as a primary fuel, since coal must be consumed in its production. Many forms of gas used to be regarded as waste, however, and the increasing use of various types of gas is equivalent to the utilization of that waste and consequently to a better utilization of hard fuel. Germany has been the pioneer in that direction, and before the last war it produced some 40 percent of the world output of manufactured gas (in 1937, about 20,400 million cubic meters); by 1943, that output had risen to 27,380 million meters. A very large proportion of that gas was made in the present Soviet zone as a by-product of the synthetic oil plants. Elsewhere in the present captive zone the gas output was insignificant: in 1930 the Czechoslovak production was 112 million and the Polish 120 million cubic meters. But during World War II, faced with a shortage of hard fuel, the Nazi administration introduced new methods of exploiting manufactured gas throughout the occupied countries, and since that time its use has been increasing at a very rapid rate.

The Czechoslovak production of manufactured gas rose from about 960 million meters in 1945 to 2,189 million in 1949 and, according to the first, now obsolete, version of the Five Year Plan, was expected to rise to 2,900 million in 1953. This target was to be realized in 1951; further Czech plans are not known. Poland's output in 1948 — the last known figure — was 287 million meters. No figures concerning the planned production of

382 manufactured gas have been published by the other satellite governments. It is known, however, that great emphasis is laid by the Eastern German, Hungarian, and Polish governments on an even higher output of gas, and the results obtained may be very high. For instance, gas manufactured by the synthetic oil plant at Most has replaced that produced by the Prague gasworks for use in the capital and its vicinity, allowing a substantial saving of hard coal.[17] Similar measures are being applied or planned elsewhere: for instance, long-distance manufactured gas pipelines were laid in 1951 in Poland.[18] Eastern Germany has made so much progress in the output of manufactured gas that the amount of it at the disposal of industry has been officially described as "more than sufficient" — the only basic commodity which Eastern Germany seems to have produced in abundance. Once the new lignite coking plant (or plants) are in full motion, a number of industrial plants hitherto working on electric power will use gas instead.[19]

Any estimate of the amount of manufactured gas to be produced by the captive area in 1954-1955 would be purely hypothetical. Considering the wealth of coal and lignite processed in that area, however, a tentative total figure of 8 million cubic meters would not be an exaggeration.[20]

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SYNTHETIC FUELS

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With its comparative shortage of petroleum and its abundance of hard fuel, the captive area of Europe is capable — at least in part — of replacing natural liquid fuel by a synthetic one. The majority of German synthetic oil plants, not all of them completed before the end of the last war, were situated in the present Soviet-controlled area.[81] Out of thirty-two German-built plants of this kind, eleven were situated in the present Soviet zone of Germany, one in Bohemia, and five in present-day Poland. The first group of these plants utilized lignite or low grade coal according to the Bergius method. The plants in this group were generally built on a large scale and included the famous Leuna plant (one million ton capacity), the Magdeburg plant (600,000 ton capacity), two plants at Lützkendorf, the Zeitz and Böhlen plants in Eastern Germany; the Most (Brüx, one million ton capacity) plant in Bohemia, the Police (Pölitz, 600,000 ton capacity) near Stettin in Pomerania, two large plants under construction near Blachownia (Blechhammer) in Upper Silesia, and another plant under construction at Dwory near Oświęcim (Auschwitz) in Poland. Another group of plants, generally much smaller ones, utilized lignite by the Fischer-Tropsch method. Included were five plants in Saxony near Dresden and Leipzig, and a plant under construction near Blachownia. The three Blachownia plants and that of Dwory, construction of which started only when the Western German plants began to suffer from Allied bombing, were never finished and yielded only a fraction of the oil they were expected to produce.

Synthetic oil-producing in "Greater" Germany during World War II rose to the rank of an enormous industry. In 1939 Germany produced slightly over two million metric tons of

382 synthetic oil; at the end of 1943, despite increasingly heavy Allied strafing from the air, this output increased to over six million tons, almost 80 percent of which was produced by the Bergius method. More than half, and possibly as much as three quarters of that oil, was produced in the present captive area, mainly by the Leuna, Most, and Pölitz plants. At that time the synthetic oil plants were consuming 16 percent of all electric power produced by "Greater" Germany, and used 10 million tons of coal and 60 million tons of lignite per year.

Nearly all these plants were heavily damaged during the last months of the war and some of them, like Pölitz, practically destroyed from the air.[32] When the Russians moved into the present captive area in 1945, they dismantled all Polish and many German plants and sent their installations to Russia. The Most plant, taken intact, was declared war trophy and subsequently returned to the Czech government in exchange for the Jachymov uranium mines nearby.[33] All remaining German plants were taken over by the Soviet "state trusts." Several of these plants, like Zeitz and Schwarzheide, belong to the Soviet trust, "Synthese," while Leuna and Lützkendorf constitute special units. Though situated in German territory, the synthetic oil plants are operated under Russian management and may be considered for all practical purposes as Soviet property.

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It is difficult to appraise the present capacity and production of the synthetic oil plants in the captive area, since information on this type of production is a closely guarded state secret. It is known, however, that the Leuna, Zeitz, Böhlen, and one of the two Lützkendorf plants in Eastern Germany,[34] as well as the Most plant in Bohemia and the Dwory plant in Poland, do produce synthetic oil on a much lesser scale than during the last war. They also produce the innumerable by-products made by plants of this kind. Speaking on the subject in January 1951, the Eastern German minister of heavy industry, Selbmann, said that he was proud of the "balance-sheet" of this type of industry and its performance in 1950: the annual plan was overfulfilled by 16 percent, with particularly good results at Leuna and

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Lützkendorf; the former was producing good automobile gasoline with 68 octane rating, and the latter turbine and other oils.[35] 382

According to the Five Year Plan as revised by the law of 1 November 1951, Eastern Germany produced in 1950, in round figures, 455,000 tons of gasoline and 439,000 tons of Diesel fuel, that is, 894,000 tons of synthetic liquid fuel.[36] There are reasons to assume that in practice this output might have been larger. The previously mentioned American source[37] estimates that in 1950 Eastern Germany produced 945,000 tons of oil, Czechoslovakia 350,000 tons, and Poland 135,000 tons, a total of 1,430,000 tons.

The official long-range plans for the two countries anticipate a Czech production of 525,000 tons of synthetic oil in 1953,[38] and an Eastern German production of 927,000 tons of gasoline and 650,000 tons of Diesel fuel by 1955;[39] that is, 2,092,000 tons of synthetic liquid fuel. To these figures must be added the undisclosed output of the Polish plants. The latter will depend largely on the amount of steel the Warsaw government will be able to assign to the construction of Polish plants; it is known that coal hydrogenation installations require a tremendous amount of steel. It may be that the total plan for the production of synthetic oil by 1954-1955 exceeds 2,500,000 tons. In fact, it may well be that the Eastern German plan underestimates the production anticipated by 1955: while it is in the Soviet interest to exaggerate for propaganda purposes the achievements and targets for all naturally produced sources of fuel and power in the captive area, the contrary may be true in respect to synthetic oil, if only for strategic purposes.

The captive area is capable of producing at least twice and perhaps even three times as much synthetic oil as projected in the long-range plans for its three northern countries. Even now, the capacity of several large synthetic oil plants, in particular of Leuna[40] and Most, exceeds by far the actual production. But the production of synthetic oil demands huge quantities of electric power and hard fuel, and until such power and lignite or coal are available for this particular purpose, the extension or

382 even full utilization of the present plant capacity would be of little practical use. Another factor is that the cost of producing synthetic oil is very high in comparison with the cost of natural petroleum: a gallon of synthetic gasoline produced at the Moss plant may cost as much as one dollar. Furthermore, Polish and Czech specialists in this domain are very few. Should the need of increasing the present production arise, however, the German and Czech plants are capable of much extension; the Dwory plant is being enlarged now, and the rebuilding of one of the Blachownia plants will probably be much advanced in the course of the present Polish Six Year Plan.[41]

Apart from synthetic oil, the captive area produces large quantities of benzol and industrial alcohol, both of which may be used as motor propellants. Eastern German, Czech, and Polish benzol producing capacity may at present exceed 200,000 tons per year and is capable of further increase.[42] The northern half of the captive area is the greatest potato producing area of the world, with a total output more than four times as large as that of the United States (in 1948, 49 million tons as against 12 million in the United States), and thus it is the largest potential producer of alcohol.[43] Current statistical data for alcohol production are not available.

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tons of coke in 1952, 1,300,000 tons by 1953 and 1,700,000 tons by 1955 (speech of 31 October 1951, by Heinrich Rau, Eastern German minister of planning, *Wirtschaft*, Berlin, 1951, No. 44). However the rapidly growing requirements of the new Eastern German metallurgic plants cannot be satisfied by the two locally produced types of coke and a large importation of coke from Poland. In its four year trade agreement with the Soviet Union of 27 September 1951, the Eastern German government assured itself the importation of 250,000 tons of coke from Russia annually for the period 1952-1955 (*Wirtschaft*, Berlin, 1951, No. 42).

[18] An estimate of the writer, based on the assumption that most of the hard coal extracted in Eastern Germany and Hungary, as well as in Rumania, will be converted into coke. Thus, the huge steel plant at Dunapentele (Stalinváros) in Hungary, now under construction, is expected to be run on Hungarian produced coke, converted from the local Pécs coal. The demand for coke by that plant alone may exceed one million tons.

[19] *European Steel Trends*, United Nations, Geneva, 1949, p. 40.

[20] An unpublished study on Czechoslovak industry by Dr. V. Paulat of New York.

[21] National Economic Plan for 1951, *Dziennik Ustaw* (Journal of Laws), Warsaw, 31 March 1951.

[22] Heinrich Rau, speech of 31 October 1951, *Wirtschaft*, Berlin, 1951, No. 44.

[23] A conservative estimate of the writer.

[24] See the *Information Bulletin* of the Rumanian National Committee, Washington, for 1950 and 1951, and *La Nation Roumaine*, Paris, *passim*.

[25] Here are some of the non-quoted estimates: the *Review of International Affairs*, Belgrade, 28 March 1951 — 3.5 million tons; *World Today*, London, Royal Institute of International Affairs, April 1951 — 3.8 million; *Etudes et Conjonctures*, Paris, a semi-official publication, January-February 1951 — 4.3 million; *Gospodarka Planowa* (Planned Economy), Warsaw, February 1951 — 5.46 million tons. The Belgrade magazine is biased.

[26] The first figure comes from the Rumanian National Committee, *supra*, the second from Dr. G. G. Rosu.

[27] According to the *Wirtschaftsdienst*, Hamburg, June 1951, Albania planned to extract 306,000 tons of oil in 1950. According to Musil, the Albanian correspondent of *Wirtschaft* (Berlin, No. 48 of 30 November 1951), the Albanian extraction of oil reached 192,000 tons in 1948 and increased to 307,000 tons in 1950.

[28] Figures taken from recent official reports.

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[26] United Press from Vienna, quoted after *Anglo-Polish Review*, London, October 1951.

[27] An estimate of the writer, shared by some other researchers.

[28] Stalin's speech of 9 February 1946.

[29] United Nations *Statistical Yearbook*, New York, 1949-50, p. 145. This is no longer true. In 1945 pipelines were laid to convey natural gas from Rumania to the Soviet Union.

[30] Data for Rumania and Poland taken from the official reports on the fulfillment of the annual and quarterly plans.

[31] Most of the data which follow are based upon Jean Chardonnet, *Les conséquences économiques de la guerre*, Paris, Hachette, 1947.

[32] J. A. Wilder, *Polish Regained Territories*, London, 1948.

[33] Dr. Paulat's study on the industrial development of Czechoslovakia, 1951.

[34] *Wirtschaft*, Berlin, *passim;* also advertisements in the Eastern German press.

[35] *Wirtschaft*, Berlin, 1951, No. 1.

[36] *Wirtschaft*, Berlin, 1951, No. 44 of November 2.

[37] See page 29.

[38] Speech of minister for planning, Dolanský, introducing the revised plan (end of February 1951).

[39] *Wirtschaft*, Berlin, 1951, No. 44 of November 2.

[40] Leuna plant employs 28,000 people, and is the greatest single plant in Eastern Germany. Karl Kühn (*Wirtschaft*, Berlin, 1951, No. 18) stated that Leuna could produce much more gasoline in 1950, because the installed capacity would permit such production, but that nitrogen-making had priority.

[41] Speech by Hilary Minc, *Trybuna Ludu*, Warsaw, 24 May 1951.

[42] United Nations *Statistical Yearbook*, New York, 1949-50. In 1937 Czechoslovakia produced 42,600 tons of benzol and Poland 31,100 tons; in 1936 Germany, outside the Bizone, produced 131,000 tons.

[43] *Ibidem*, p. 110.

[44] Professor H. Herbich, quoted by S. Rotarski, "The Unexploited Resources of Europe," in *Eastern Quarterly*, London, January 1950. The four rivers are the Columbia, Colorado, Sacramento, and San Joaquin.

[45] Speech by Heinrich Rau on 31 October 1951. See footnote 14.

[46] *Trybuna Ludu*, Warsaw, 24 October 1951.

[47] Dr. V. Paulat. See footnote 17.

[48] Exhaustive data on that problem in *Wirtschaft*, Berlin, 1950, No. 51.

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Only after the events of spring 1947 in Hungary which consolidated the power of the Communist Party, and the February, 1948, coup in Czechoslovakia did Moscow consider nationalistic conflicts between Hungarians on the one hand and Slovaks and Czechs on the other superfluous. And duly in autumn 1948, an agreement was concluded between Czechoslovakia and Hungary regularising the status of the Hungarian minority in Slovakia. In January, 1949, the Czechoslovak parliament decided to restore full civil rights to the Hungarians, and to allow them to remain permanently in the country.

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Conflicts Between Rumanians and Hungarians

The bone of contention between Rumania and Hungary was Transylvania in which nearly 2 million Hungarians live. Within 24 hours of the time that the Groza government was established, northern Transylvania, taken from Rumania by Hitler and given to Hungary, was given back to Rumania, even though the majority of its population is Hungarian. Vishinsky openly admitted that this was a reward for the establishment of the Groza Government. Pătrăşcanu, then leader of the Rumanian Communist Party, gratefully acknowledged the fact that Russia was responsible for the transfer. Strange as it may seem, Rákosi also used the conflict to pay a tribute to Russia, stating on 1st June, that at the Paris Conference Britain and the U.S.A. decided on the transfer because of their interests in Rumanian oil. 'Rumania's oil production is 10 times that of Hungary and naturally those countries which are interested in oil, share out their sympathy or antipathy according to whether 100,000 or 1,000,000 tons of oil are at stake. Naturally this fact has an important bearing on their political judgment. Thus when the Hungarian-Rumanian frontier issue was raised at the Paris Conference, the U.S.A. suggested that Rumania should regain her 1940 frontiers without change. Britain immediately agreed to this proposal and the matter was settled.' (*East Europe*, 12th June, 1946).

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The Hungarian Communist Party demanded on 12th August, 1946, that the Peace Settlement be changed to allow at least that part of Transylvania inhabited by Hungarians to be given back to Hungary. At the same time the Rumanian